

***City of Miami Springs Police and Firefighters'
Retirement System
Minutes of the Meeting Held
July 18, 2014 (Special Meeting)***

The special meeting of the Board of Trustees of the City of Miami Springs Police and Firefighters' Retirement System was called to order at 11:10 AM by Chairman Peter Baan in the Commission Chambers at the City of Miami Springs City Hall at 201 Westward Drive, Miami Springs, Florida.

TRUSTEES PRESENT

Peter Baan, Chair
Jimmy Deal, Trustee
Jonathan Kahn, Trustee

OTHERS PRESENT

Audrey Ross, Pension Resource Centers (PRC)
Pete Strong, GRS
William Alonso, City of Miami Springs Finance Director
Moira Ramos, City of Miami Springs Finance Dpt.

PUBLIC COMMENTS

N/A

PRESENTATION OF THE 9/30/2013 ACTUARIAL VALUATION REPORT: GRS (PETE STRONG)

Mr. Strong stated that this was the last year of phasing in the lowering of the Plan's assumed rate of return as we are now at 7.5%. He reviewed the activity that occurred during the year and noted that there were more DROP entrants during the fiscal year than they expected and there was not as big of a payroll increase as expected either. Mr. Strong stated that both the employee and employer contributions have increase for the fiscal year ending September 30, 2015 compared to this year. The employee contributions increased from 16% to 28.9%, and the employer contributions increased from 23.04% to 27.85%. He explained that the contributions for both parties increased this year mainly due to no new hires, there are more higher paid members are entering the DROP and not contributing to the pension plan anymore, and also the fact that there has been no pay increases. Me. Strong noted that the employee contribution rate is the highest he has ever seen and the employer contribution rate is average because of the 50/50 cost sharing. This is the first year that the employee contribution rate will be higher than the employer contribution rate. He reviewed the Plans funded ratio and noted that it did increase this year to 82.6% and that is above average compared to other local defined benefit Plans. The Plans reserve account is currently up to \$169,497 which could be used to offset the fiscal year 2015 employee contributions, but to do that it would require an Ordinance/contract change. Lastly Mr. Strong presented the board with the new reporting disclosures that are now required under the new GASB 67 rules.

Mr. Deal discussed the recent cost study that was completed that looked at the salary increase assumption. He explained that when they changed that assumption it slightly brought down the employee costs and he wanted to know if there were any other assumptions that the board should look at that would also help bring down the cost even more. The members have not had a raise in over 8 years and overall that is effecting the Plan and the contribution rate. Mr. Strong stated that he understands the boards concern, but he does not recommend doing another cost study this soon because they should only be

completed once every 5 to 6 years, although he stated that he will look at all the other assumptions to see if a study needs to be completed.

MOTION: Mr. Deal made a motion to accept and approve the September 30, 2013 Actuarial Valuation Report as presented.

SECOND: Mr. Kahn seconded the motion.

CARRIED: The motion carried 3-0.

OTHER BUSINESS

N/A

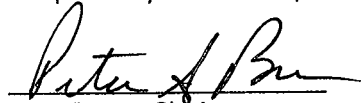
NEXT MEETING DATE

Thursday August 7, 2014 @ 8:30 AM

ADJOURN

There being no further business, a motion was made to adjourn the meeting at 11:39 AM.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Pete Baan", written over a horizontal line.

Pete Baan, Chairman